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C O N F I D E N T I A L SECTION 01 OF 04 TEL AVIV 003244

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TAGS: [PREL](#) [PTER](#) [PCOV](#) [KPAL](#) [KWBG](#) [OREP](#) [EG](#) [SY](#) [IS](#) [GAZA](#) [DISENGAGEMENT](#)

SUBJECT: STAFFDEL TALWAR DISCUSSES DISENGAGEMENT WITH ISRAELI OFFICIALS

Classified By: Political Counselor Norm Olsen; Reasons: 1.4 (B) and (D)

1. (C) Summary: Staffdel Talwar discussed the disengagement process with high-ranking Israeli military and foreign affairs officials, minister without portfolio Matan Vilnai, senior members of Vice Prime Minister Shimon Peres' staff, and an opposition leader during a visit to Tel Aviv and Jerusalem on May 8-12. An NSC representative called disengagement a "test case" of the PA's ability to handle security, economic, and political responsibilities. The Israelis outlined coordination efforts with the Palestinian Authority (PA) and complained of the lack of a unified Palestinian position. Vilnai said that the Israeli cabinet agrees on the need to strengthen Abbas, but opposition figures countered that they do not believe this is PM Sharon's true objective. MOD representatives stressed the need to balance security constraints with the desire to assist Abbas and complained that the PA is not doing enough to prevent terrorism.

2. (C) Summary continued: Most discussion partners said they believe that the PA will postpone the upcoming legislative elections and all expressed concern that Hamas will win the vote. Vilnai acknowledged that Israeli officials meet with Hamas representatives. None of the Israeli politicians, officials, or staffers had a clear answer for staffdel on what will follow disengagement. Peres' staff requested further U.S. leadership in the peace process, while an opposition leader urged the USG to update the roadmap, consider a third-party monitoring system, and provide the PA with a letter on U.S. views on a Palestinian state, security issues, and the question of a capital. MFA and MOD officials expressed concern about Egypt's unwillingness to prevent weapons smuggling and cautioned that attacks by Hizballah from Syria or Lebanon could lead to Israeli retaliation. End summary.

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Status of Disengagement and Coordination with the PA  
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3. (C) Minister without portfolio Matan Vilnai greeted the staffdel with the words "disengagement is now the main issue in our lives." He labeled the Cabinet's decisions on the security barrier and disengagement "historic," claiming they represent an acknowledgment by the right wing that there will be a two-state solution. Eran Etzion, the deputy national security adviser for foreign affairs, stressed that the GOI sees disengagement as a "test case" of the PA's ability to handle security, economic, and political responsibilities. Opposition politician Yossi Beilin, on the other hand, called disengagement a "terrible misstep," claiming that it will only give Gaza to Hamas at a time when Israel finally has a real partner in PA President Mahmud Abbas. Nevertheless, he said, U.S. support for disengagement leaves him "no choice but to support Sharon."

4. (C) According to Einat Wilf, Vice PM Shimon Peres' foreign policy adviser, Peres sees his role as "making disengagement better" by coordinating the process with the PA and demonstrating that Palestinians will benefit economically. She said the process is complicated by splits within the PA, with PM Ahmad Quraya' opposing the process and Civil Affairs Minister Muhammad Dahlan leading a more pragmatic group. In a separate meeting, MFA Director General Ron Proser also complained that Quraya' is opposing Abbas and Dahlan on disengagement. Wilf described the coordination process as currently "in a bit of a lull," claiming that the PA appears to be torn between its desire to blame Israel for disagreements and its hope of demonstrating the PA's ability for self government. Nevertheless, she stressed the positive aspects of the talks, saying that they are "creating structures" for closer cooperation.

5. (C) Wilf noted that three coordination groups began meeting in the beginning of May to discuss technical issues: a security dialogue headed by DefMin Mofaz and Interior Minister Yusuf, a dialogue on the Sharm el-Sheikh agreement led by PM adviser Dov Weissglas and senior negotiator Sa'eb Erakat, and an economic/civil dialogue led by Peres and Dahlan. She said that the GOI will not discuss safe passage between Gaza and the West Bank or the reopening of Gaza's airport, items it considers to be final status issues. Wilf described Israel's goal in the talks as the transfer of

authority issue-by-issue to the Palestinians.

16. (C) MOD adviser Baruch Spiegel called the GOI's willingness to coordinate disengagement and crossing points with the PA a "very important change." Addressing the issue of property left behind in Gaza, NSC staffer Etzion said that the GOI will not destroy production facilities in Erez, but is still examining how to handle greenhouses and private property. He noted that the NSC had recommended leaving the property in place, but the cabinet's amended disengagement decision states that it will be destroyed. He added that many ministers are "not inclined" to reopen the disengagement debate.

17. (C) Spiegel complained that talks with the PA have been "more negotiation than coordination." Similarly, Etzion claimed, the PA had delayed technical meetings on ports, the economy, and customs. Even now, he said, the Palestinians are placing conditions on further cooperation that they know Israel cannot accept. He speculated that the Palestinians are stalling in order to create a crisis prior to Abbas' upcoming visit to Washington.

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GOI Attempting to Strengthen Abbas?  
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18. (C) Wilf said that Vice PM Peres is concerned that the GOI and the international community are not doing enough to strengthen Abbas in the run-up to disengagement. According to Vilnai, the Israeli cabinet agrees on the need to strengthen Abbas but not on how to do so. Vilnai expressed frustration with Sharon's refusal to release additional Palestinian prisoners. Wilf noted that Sharon finds it difficult to take the necessary steps without further alienating his party base. Beilin disagreed that the GOI is trying to strengthen Abbas, commenting, "at the end of the day, the last thing Sharon wants is a Palestinian partner." Labor Party supporters Ron Pundak and David Levy maintained that Sharon wants to maintain Abbas in a weakened state, but "would prefer to see him fail than to succeed."

19. (C) MOD adviser Baruch Spiegel outlined steps that the GOI is taking to improve the life of Palestinians in the West Bank and Gaza. Spiegel said his office is focused on how to give the Palestinians a chance to succeed after disengagement and the completion of the security barrier. In Spiegel's estimation, "the crossing regime is the major key." He said terminal modernization, privatization and redeployment of many IDF personnel behind the security barrier will reduce friction between the IDF and the Palestinians in the West Bank by up to 80 percent. In response to staffed questions, Spiegel said that there are currently 14 manned Israeli checkpoints and 124 unmanned roadblocks in the West Bank, not including crossing points in the security barrier. He compared these numbers to mid-2004, when the GOI maintained 28 manned checkpoints and 250 roadblocks in the same area. Spiegel acknowledged that the Palestinians claim a much larger number of checkpoints and said he would meet with OCHA on May 10 to go through the list barrier-by-barrier.

110. (C) Spiegel admitted that there is little chance for improvement in the Palestinian economy without freedom of movement, adding that movement between the West Bank and Gaza is currently "almost zero." He nevertheless insisted that only the security barrier gives disengagement a chance to succeed. He discussed steps to increase capacity and speed passage of goods and people at the crossing points. He called the new Erez terminal, which should be completed by the end of 2005, a model for nine other terminals in the West Bank. He said that the new terminal will be capable of increasing the numbers of crossings from 5,000 today to up to 20,000. Likewise, he hopes that truck crossings at the Karni terminal will increase from 340 to 800 a day.

111. (C) Spiegel noted that after the disengagement process, a contiguous area twice the size of Gaza will be under PA control around Jenin in the northern West Bank. He claimed that the GOI has "stopped all physical activity" on construction in the E-1 area until planning work is completed and a final decision is made on how to proceed. He noted that the GOI has begun planning a bypass road around the area to connect Bethlehem with Ramallah and the expansion of the existing Jericho-Jerusalem road.

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Israeli Complaints of PA Inactivity on Security  
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112. (C) In IDF intelligence research chief Yossi Kupperwasser's view, the Palestinians are in a "problematic situation" with the PA and Hamas running parallel Palestinian authorities in the West Bank and Gaza. He said that "the PA does not show any real readiness to cope with the problem," claiming that the PA has the capability -- but not the political will -- to act. He called restructuring the PA

security forces "a real move forward," but said that the PA is not investigating, arresting, disarming, trying, or punishing terrorist attacks or smuggling incidents. Kupperwasser said that Abbas challenges the political wisdom of terrorism, but continues to call Palestinian terrorists heroes.

13. (C) NSC staffer Etzion claimed that "none of our security agencies say that Abu Mazen is fulfilling his responsibilities under Sharm." He acknowledged that there have been minor improvements in Palestinian conduct under Abbas, but added that "even after lowering your expectations, the PA is not performing." Beilin said that Sharon told him that the PA security forces are sharing information with the GOI about upcoming attacks, but are not taking action to prevent them. Labor Party supporters Pundak and Levy suggested that Abbas could make visible progress by taking a harder line against extremists in Fatah, thereby sidestepping for the moment the problem of confronting Hamas. Vilnai stressed that the PA must fight terror, or "disengagement will stop the day after Gaza."

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The PA Elections and Hamas  
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14. (C) Etzion predicted that the PA will postpone its legislative elections "by a few months." Pundak and Levy agreed. Peres' aide Avi Gil noted that a delay might not help the PA or GOI. In Wilf's analysis, Abbas is distracted by the upcoming elections and "panicked" about a possible Hamas victory. Wilf expressed concern that a Hamas victory would be used as an excuse by other Arab states to postpone democratic reforms in their own countries.

15. (C) Beilin complained that GOI pressure on the PA is forcing it to compromise with Hamas, thereby strengthening the extremists. Drawing parallels to Hizballah in Lebanon, Vilnai said that dealing with Hamas is a "double edged sword" that has the potential to both moderate the group's behavior and legitimize the party. He acknowledged that Israeli officials meet with Hamas representatives, saying he had done so himself in the past. Wilf stressed the importance of formulating a joint U.S. and European policy on Hamas prior to the PA elections, a policy she said should insist that Hamas completely renounce violence if it wants a future political role.

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No Post-Disengagement Policy?  
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16. (C) None of the Israeli politicians, officials, or staffers had a clear answer for staffdel on what will follow disengagement. Spiegel said that post-disengagement political decisions are "still open." Pundak and Levy agreed that there is "no real plan" on what to do next. Beilin expressed concern that "no one is trying to square the circle." He suggested that another interim agreement, possibly one linked to a third further redeployment envisioned by the Oslo Interim Agreement, would be a logical next step. Pundak and Levy complained that the peace camp in Israel is currently adrift.

17. (C) Wilf acknowledged that Peres and the Labor Party prefer a quicker and broader process, but "no one wants to push Sharon until after disengagement is complete." Wilf listed three factors that she said inhibit consideration of a post-disengagement plan: Abbas's concerns about a Hamas victory in PA legislative elections; paralysis on the Israeli side as Sharon tries to recover his ground in Likud and the opposition forgoes any step that might postpone disengagement; and the U.S. electoral calendar, which will soon shift President Bush's focus squarely to domestic issues. Beilin cautioned that a lack of progress after disengagement could lead to an "explosion" or third Intifada. Separately, Wilf, Gil, Pundak, and Levy all agreed that such a scenario is possible.

18. (C) Several politicians and staffers predicted early Israeli elections. Vilnai said that a vote could be called a few months after disengagement or -- at the latest -- prior to the budget debate in May 2006. He said his personal plan for peace is to "define borders for Israel and get inside them," calling disengagement merely the first step. Beilin noted that he will withdraw his party's support for PM Sharon after disengagement and seek a permanent settlement with the Palestinians. He claimed PM Sharon has dismissed the idea, telling him "You believe in a permanent agreement. I do not."

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Israeli Views of the U.S. Role  
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19. (C) When asked about any U.S. role in disengagement,

Vilnai replied that the USG should ensure that the Palestinians adhere to the spirit of the roadmap. He also advocated support for PM Sharon, claiming the prime minister's position is currently "very tenuous." In contrast, Beilin urged Washington to focus on post-disengagement and increase pressure on Sharon for the dismantlement of illegal settlements. Beilin claimed that the USG could move the peace process forward by updating the roadmap and establishing a public monitoring system. In his opinion, only a third-party monitor can overcome the deadlock that occurs whenever Palestinians and Israelis judge each other's compliance. Beilin also called any settlement construction in the E-1 area "the end of a permanent solution" and urged the USG to make this point clear to the GOI.

20. (C) Wilf requested further U.S. leadership in the peace process, saying the current level of USG activity is "not enough." She suggested either Abbas's visit to Washington or the day after disengagement as opportunities for the USG to invigorate the roadmap process. Beilin suggested that the President give Abbas a letter addressing U.S. views on a Palestinian state, security issues, and the question of a capital.

21. (C) All of the Israeli politicians, staffers, and officials welcomed the Wolfensohn and Ward missions. Etzion suggested that Wolfensohn concentrate on improving the crossing points for Palestinians and help "create the conditions for Palestinians and Israelis to engage." He also stressed the importance of obtaining financial assistance for the Palestinians from the international community.

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Other Israeli Concerns: Egypt, Syria, and Hizballah  
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22. (C) MFA Director General Ron Proser told the staffdel that Egypt is "making good, constructive, noises, but nothing is getting done on smuggling" of weapons. He noted that the smuggling issue will determine how the GOI proceeds in its planned evacuation of the Philadelphi strip. Proser urged the USG to apply more pressure on Cairo, claiming that the Egyptians lack the will to police the Palestinians. Etzion at the NSC echoed this appeal.

23. (C) Kupperwasser claimed that the Iranians are flying one cargo plane a day to Damascus with money and supplies for Hizballah and Palestinian extremists in Lebanon. Kupperwasser noted the importance of Israel's northern border for Israeli-Palestinian relations, claiming that Hizballah is increasing its efforts to kidnap Israeli soldiers and may launch limited attacks to complicate the disengagement process. He cautioned that Israel would consider retaliation against Lebanese or Syrian targets for attacks launched from their territory. He raised the possibility that Hizballah may still decide to cooperate with the Lebanese armed forces.

24. (U) This cable was cleared by staffdel.

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